ROUTING AND RECORD SHEET

SUBJECT: (Optional)

FY 1981 Funds for the Community-wide Computer-assisted Compartmentation Control System (4C)

25X1

FROM: [redacted]
Policy and Plans Group
4E-70, Hdqs.

EXTENSION [redacted]

NO.

DATE 16 JAN 1981

25X1

TO: (Officer designation, room number, and building)	DATE RECEIVED	DATE FORWARDED	OFFICER'S INITIALS	COMMENTS (Number each comment to show from whom to whom. Draw a line across column after each comment.)
1. C/PPG	16 JAN 1981	16 Jan		Attached was received from [redacted] It is a memorandum from the DCI to the House Appropriations Committee and the Senate Appropriations Committee requesting the $3 million FY 1981 ceiling on 4C expenditures be lifted so that 4C can proceed. The DCI signed the documents on 15 January. Also attached is an interesting summary of the 4C network.
2. DD/P&M	19 JAN 1981	1/16		
3. DD/SEC	19			
4. D/SEC	26 JAN. '81			
5. C/PPG	27 JAN 1981			
6. ~~D/SSC~~ ~~C/~~				
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GOOD 4C SUMMARY... WE OUGHT TO MAKE A COPY OF IT JUST TO HAVE AROUND.

FORM 610 USE PREVIOUS EDITIONS 1-79

25X1

MEMORANDUM FOR: Mr. [redacted], OLC
Mr. [redacted] O/Comptroller

25X1

Attached is the first draft of the request to the Senate and House Appropriations Committees for release of funds above $3 million required for 4C. Because the additional funds must be obligated not later than 16 January, it is requested that you review the draft. We will provide final versions to you ASAP. All of the attachments will be attached to the letters to both the HAC and SAC.

Your response is requested by 2:00 today. 25X1

[redacted]

25X1 SA/DCI/C

cc: [redacted] (Info)
nfo)

Signed by DCI on 15 Jan 81

Date 13 January 1981

FORM 101 USE PREVIOUS EDITIONS

MEMORANDUM FOR: Director of Central Intelligence

VIA: Deputy Director of Central Intelligence

25X1 FROM: [redacted]
Deputy to the DCI for Resource Management

SUBJECT: FY 1981 Funds for the Community-wide Computer-assisted Compartmentation Control System (4C)

REFERENCES: A. [redacted] 25X1

B. [redacted]

1. Action Requested: That you sign the attached letters to the Chairman, Senate Appropriations Committee, and Chairman, House Appropriations Committee.

2. Background: In Congressional review a $3M obligation ceiling was imposed on FY 1981 APEX funding. If that restriction is not lifted, the Community-wide Computer-assisted Compartmentation Control System (4C) implementation schedule will have to be markedly restructed. If constrained to $3M, the effect will be to delay 4C service to a number of Community users and, therefore, to delay important security management benefits which are possible only after completion of Phase II of 4C. The pacing item is a 16 January 1981 COMSEC procurement deadline. If we can get a commitment by that time from Congress, we can get our Phase II COMSEC procurement started this FY. If not, we have to wait another year, in which case the FY 1981 funding issue becomes moot.

This package has been coordinated with Mr. [redacted] SA/DCI/C, 25X1
25X1 and Mr. [redacted] Office of Data Processing.

3. Recommendation: approval of the attached letters.

[redacted] 25X1

Attachments: a/s

APPROVED: _____
Director of Central Intelligence

DISAPPROVED: _____
Director of Central Intelligence

DATE: _____

The Honorable Jamie L. Whitten, Chairman
Committee on Appropriations
U.S. House of Representatives
Washington, D.C. 20515

25X1

Dear Mr. Chairman:

[redacted]

Of the requested FY 1981 funds, $3.8M are required to implement a computer system which will provide improved security management of personnel and facilities data within the NFIP. The system, the Community-wide Computer-assisted Compartmentation Control System (4C), is basic to any meaningful improvement in security management and was, thereby, included within APEX. The 4C has been an outstanding unfunded requirement since 1975, before APEX was conceived, and exists as an Intelligence Community need whether or not the APEX system is implemented. The security management problem has reached proportions where serious inefficiencies now exist and 4C will eliminate many of them. The current incomplete and inadequate system includes about 167,000 names. The actual total number of SCI access holders has never been known and will not be until 4C is activated.

On 12 January 1981, the DCI and the NFIB confirmed the need for the 4C system at the earliest possible date.

A $3M FY 1981 funding level for 4C equates to severely limited near-term security management objectives, continued inadequate support to an important segment of the Community, as well as additional outyear expense for having to bring the system up piecemeal and not being able to capitalize on early hardware procurement economies.

Therefore, I solicit your assistance in securing approval to obligate $3.8M of FY 1981 APEX funds for 4C system development. In support, a background paper providing additional data is enclosed. Further, members of your staff are invited to attend briefings which can answer any remaining questions.

The pacing factor now is COMSEC procurement. If this funding issue can be resolved by 16 January 1981, we can make the COMSEC procurement close-out deadline of 30 January 1981. If we miss the current procurement deadline, at least a one year delay in meaningful implementation will result and a price increase for the COMSEC equipment amounting to $82,500 will apply to orders received 17 January 1981 or later.

Respectfully,

STANSFIELD TURNER

Encl

Ted Stevens
The Honorable ~~John C. Stennis~~
Chairman, Subcommittee on Defense
Committee on Appropriations
United States Senate
Washington, D.C. 20510

25X1

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[redacted]

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Respectfully,

STANSFIELD TURNER

Encl

Background on the 4C System and the FY 1981 Funding Issue

25X1

1. Question: What is the impact of reducing the FY 1981 funding for APEX

[redacted]

implementation of the Community-wide Computer-assisted Compartmentation Control system (4C), and since (b) the 4C system is a fundamental requirement which must be implemented in order to satisfy Community security objectives prior to APEX or any other means of improving security management controls, the question becomes what is the effect of reducing 4C's FY 1981 budget to three million dollars?

2. Background:

a. 4C--The Basic Problem: The 4C system will be an interactive computerized data base to be updated and used on-line by all of the members of the Intelligence Community through terminals located in their facilities. The data base will record two distinct types of information:

(1) Data on personnel who have or have had access to special compartmented information (SCI).

(2) Data on facilities which handle or store SCI.

b. 4C--Capabilities: The 4C system with one central interactive data base is conceived to replace nineteen existing computerized data bases maintained by government agencies, military services, and the Unified and Specified Commands. This is expected to have at least the following beneficial results:

(1) Provide immediate, up-to-date information to special security officers (SSO's) throughout the government who are tasked with controlling access to and storage of SCI.

Atch 1

(2) Eliminate the tremendous redundancy and considerable error inherent in the maintenance of numerous data bases and computer systems.

(3) Provide Intelligence Community managers with accurate statistics for management of special compartmented information, security investigations, and resource sharing.

(4) Promote standardization of compartmentation and investigation policies/procedures.

(5) Eliminate most of the communications and cable traffic between SSO's (the CIA estimates a reduction of 80% of its SCI-related cable traffic--or 6500 outgoing cables per year).

(6) Reduce duplication of background investigations necessary now because there is no convenient access between agencies.

(7) Promote sharing of SCI storage facilities--again through better information exchange.

(8) Automate the preparation of SCI facility address books--presently a manual process.

c. 4C--The Requirements: The 4C system is needed because of its absolute requirement to provide current management information, standardize policies and procedures, and automate address book preparation. The 4C was first conceived in 1974, and specifically proposed by the Community in 1975 and 1978, but unfunded. APEX led to the funding of 4C and developed the requirement to the present form. Analysis of the concept points out that 4C would quickly pay for itself by eliminating redundant systems, unnecessary cables and communications, duplication of background investigations, and by improved utilization of government personnel and facilities.

d. 4C--The timetable: The implementation of the 4C system will provide an interactive computer data base service to virtually all NFIB members and agencies. The system is being implemented in two phases:

(1) Phase I: Service for Washington, D.C., and Los Angeles facilities, starting in April 1982.

(2) Phase II: Serving SSO facilities worldwide, starting in 1983.

The organizations and locations to be serviced are presented in Attachment 1.

e. 4C--The approach: The system has been designed to make maximum use of available equipment and resources while maintaining the security of its very sensitive data.

(1) The 4C system is being developed on CIA computer facilities using the Agency's data base management system. As a result, 4C software development costs are a relatively modest--$170,000.

(2) About half of the Phase I terminals will use the secure Tetrahedron communications network.

3. Funding Reductions:

a. Since the last budget estimate was made for 4C, cost reductions of $523,000 have been realized in the 4C FY 81 funding requirement.

(1) The cost of KG-84 encryption devices to be used by 4C has been reduced by $411,000.

(2) Aggressive project management has resulted in a very favorable contract and has reduced system complexity. As a result, the cost of 4C software development during FY 81 has been reduced $57,000.

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(3) Nine existing terminals and five existing low-speed printers will be used by 4C. Savings--$55,000.

b. Therefore, in order to meet requirements outlined in paragraphs 2a and 2b on the schedule at paragraph 2d, $3,736,000 of FY 1981 funds are required. Breakout of 4C's FY 1981 expenditures are listed at Attachment 2.

c. If it is necessary to pare the 4C budget to three million dollars, only two areas could be reduced without fatally affecting the system.

(1) First, the KG-84 encryption equipment required for Phase II worldwide service could not be ordered this year. This would net an FY 1981 savings of $387,000. Since equipment ordered from NSA and paid for in FY 1981 will not be delivered until FY 1983, the earliest the Phase II equipment could be attained would be FY 1984. Note: The timing is even more critical than this implies: Phase II hardware procurement must be initiated by 16 January 1981 (deadline of this year's NSA order for KG-84's). Since we cannot order again until 1982, missing the 16 January 1981 deadline means at least a one year delay in Phase II implementation. Each subsequent delay in funding will have the effect of delaying Phase II yet another year.

(2) Second, it would be necessary to cut ten user locations from Phase I. This would result in an FY 1981 equipment and installation cost reduction of about $372,400. NOTE: The facilities which would be affected by Phase I and II delays are indicated in Attachment 1, denoted by an asterisk.

d. These two actions could reduce 4C's FY 1981 funding requirements to $2,997,000.

4. Impact of a 4C FY 1981 Budget Reduction: If 4C's FY 1981 budget is reduced to $2,997,000, the following impact would be realized until remedial funds were provided and development performed.

a. Most of 4C's data would be continually out-of-date, since most Unified and Specified Commands would not enjoy 4C service. Data would normally be two to four weeks old and subject to errors caused by non-standard systems, policies and procedures.

b. Twelve registry systems would still exist and major redundancy and interface problems would remain.

c. Security managers would not have current or consistent data.

d. Almost all the DOD cable and communication traffic which would have been eliminated under full 4C funding would have to continue.

e. Significant overhead would continue since management economies would still not be possible, i.e., elimination of duplicative investigations, sharing of storage facilities, and automation of address book preparation.

5. Additional Comment: While 4C system benefits which may be lost through an FY 1981 budget reduction are to some degree recoverable in the out-years, such expansion will cost significantly more later since upgrade will probably have to be accomplished on a case-by-case basis, rather than as part of an integrated development effort. Additionally, procurement delays cost money, e.g., after 16 January 1981, the KG-84 encryption device increases $1,650 per unit. When equated to a possible delay for Phase II terminals, that translates to $82,500.

Next 11 Page(s) In Document Exempt

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